

CASE 9226: In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as promulgated by Division Order No. R-4314, to reconsider the well location requirements poolwide, to restate the allowable in the pool to reflect the daily oil allowables for a 160-acre unit in the depth range of this pool to 382 BOPD as promulgated by Division General Rule 505, and to create a buffer zone in those sections that adjoin the Gavilan-Mancos Oil Pool to the east (Sections 1, 12, 13, 24, 25 and 36, Township 25 North, Range 3 West, Rio Arriba County) with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 10 to 20 miles west-northwest of Lindrith, New Mexico.

CASE 9227: In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as promulgated by Division Order No. R-7407, as amended, to create a buffer zone utilizing those existing proration units in Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32, Township 25 North, Range 2 West, that adjoin the West Lindrith Gallup-Dakota Oil Pool with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 4 to 9 miles northwest of Lindrith, New Mexico.

CASE 9228: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing and extending certain pools in Rio Arriba and Sandoval Counties, New Mexico:

(a) ABOLISH the Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, in order that the productive acreage may be included in the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

(b) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
Sections 1 through 18: All  
Section 19: NE/4  
Section 20: N/2  
Section 21: N/2  
Section 23: NE/4 and S/2  
Sections 24 through 26: All  
Section 34: S/2  
Sections 35 and 36: All

CASE 9230: Application of Shell Western E & P Inc. for pool creation, special pool rules, and contraction of Blinebry, Tubb, and Drinkard Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil and gas pool for Blinebry, Tubb, and Drinkard production comprising all or a portion of Sections 2 through 4, 10 and 11, 14 and 15, and 22 through 24, Township 21 South, Range 37 East, to be designated as the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool, and the promulgation of special pool rules therefor, including a provision that any well within the pool designated as a gas well will be subject to the gas proration rules set forth in Commission Order No. R-8170, as amended, a provision that simultaneous dedication of pool acreage to oil and gas wells will be allowed, and a provision for well location requirements. Applicant also seeks the concomitant contraction of the Blinebry Oil and Gas Pool, the Drinkard Pool, and the Tubb Oil and Gas Pool. Said area is centered approximately 3 miles north-northeast of Eunice, New Mexico.

CASE 9231: Application of Shell Western E & P Inc. for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of establishing a secondary recovery project, all mineral interests in the proposed North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool underlying 5,018 acres, more or less, of State, Federal, and Fee lands in either all or portions of the following described lands: Sections 2, 3, 4, 10, 11, 14, 15, 22, 23, and 24, Township 21 South, Range 37 East. Said unit is to be designated the Northeast Drinkard Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations. Said area is centered approximately 3 miles north-northeast of Eunice, New Mexico.

CASE 9232: Application of Shell Western E & P Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Blinebry, Tubb, and Drinkard formations in its proposed Northeast Drinkard Unit Area (Division Case No. 9231), North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool, underlying portions of Township 21 South, Range 37 East. Said area is centered approximately 3 miles north-northeast of Eunice, New Mexico.

CASE 9229: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Azotea Mesa-Bone Spring Pool. The discovery well is the Indrex, Inc. Four Forks Federal Well No. 1 located in Unit H of Section 15, Township 22 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 15: NE/4

(b) EXTEND the Aid Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 19: NW/4

(c) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 22 EAST, NMPM  
Section 27: SW/4  
Section 34: All  
Section 35: SW/4

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM  
Section 4: All

(d) EXTEND the Red Lake Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 22: NW/4

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Docket No. 29-87

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 24, 1987

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases were continued from the July 16, 1987, Commission hearing and will be further continued to the October 15, 1987, Commission hearing.

CASE 9134: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1207(a)7 regarding notice to royalty interest owners.

CASE 9073: (De Novo)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March, and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any overproduction of oil and casinghead gas:

- Howard Federal "1" Well No. 8 located in Unit H of Section 1;
- Howard Federal "1" Well No. 11 located in Unit K of Section 1;
- Fisher Federal "2" Well No. 1 located in Unit A of Section 2;
- Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,
- Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9226: (Continued from September 23, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as promulgated by Division Order No. R-4314, to reconsider the well location requirements poolwide, to restate the allowable in the pool to reflect the daily oil allowable for a 160-acre unit in the depth range of this pool to 382 BOPD as promulgated by Division General Rule 505, and to create a buffer zone in those sections that adjoin the Gavilan-Mancos Oil Pool to the east (Sections 1, 12, 13, 24, 25 and 36, Township 25 North, Range 3 West, Rio Arriba County) with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 10 to 20 miles west-northwest of Lindrith, New Mexico.

CASE 9227: (Continued from September 23, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as promulgated by Division Order No. R-7407, as amended, to create a buffer zone utilizing those existing proration units in Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32, Township 25 North, Range 2 West, that adjoin the West Lindrith Gallup-Dakota Oil Pool with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 4 to 9 miles northwest of Lindrith, New Mexico.

CASE 9228: (Continued from September 23, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing and extending certain pools in Rio Arriba and Sandoval Counties, New Mexico:

(a) ABOLISH the Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, in order that the productive acreage may be included in the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

(b) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
Sections 1 through 18: All  
Section 19: NE/4  
Section 20: N/2  
Section 21: N/2  
Section 23: NE/4 and S/2  
Sections 24 through 26: All  
Section 34: S/2  
Sections 35 and 36: All

CASE 9229: (Continued from September 23, 1987, Examiner Hearing)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Loddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-E) underlying the W/2 of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 3, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

CASE 9073: (De Novo) (Continued from September 24, 1987, Commission Hearing)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any overproduction of oil and casinghead gas:

Howard Federal "1" Well No. 8 located in Unit H of Section 1;  
Howard Federal "1" Well No. 11 located in Unit K of Section 1;  
Fisher Federal "2" Well No. 1 located in Unit A of Section 2;  
Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,  
Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8951: (Continued from September 24, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 3745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9111: (Continued from September 24, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 9095: (De Novo)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County, New Mexico.

Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.